

SERIAL 05179 RFP INTERNET TAX LIEN AUCTION SERVICES

DATE OF LAST REVISION: December 30, 2005 CONTRACT END DATE: December 31, 2007

CONTRACT PERIOD THROUGH DECEMBER 31, 2007

TO: All Departments
FROM: Department of Materials Management
SUBJECT: Contract for **INTERNET TAX LIEN AUCTION SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **December 22, 2005 (eff. 01/01/06).**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Steve Partridge, Treasurer Office
Mirheta Muslic, Materials Management



CONTRACT PURSUANT TO RFP

SERIAL 05179-RFP

This Contract is entered into this 22TH day of December, 2005 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Grant Street Group Inc., a Pennsylvania Corporation ("Contractor") for the purchase of Tax Lien Auction Services.

1.0 TERM

- 1.1 This Contract is for a term of two (2) years, beginning on the 1st day of January, 2006 and ending the 31st day of December, 2007.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of four (4) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A."
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. Invoices shall contain the following information: contract number, purchase order number, description of services, price of services, and extended totals.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as Exhibit "B."
- 3.2 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 **INDEMNIFICATION**

4.1.2 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.3 **Abrogation of Arizona Revised Statutes Section 34-226:**

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then to the fullest extent permitted by law, **CONTRACTOR** shall defend, indemnify and hold harmless **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or resulting from **CONTRACTOR'S** work or services. **CONTRACTOR'S** duty to defend, indemnify and hold harmless, **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of **CONTRACTOR**, anyone **CONTRACTOR** directly or indirectly employs or anyone for whose acts **CONTRACTOR** may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including **COUNTY**.

The scope of this indemnification does not extend to the sole negligence of **COUNTY**.

4.1.4 **Insurance Requirements.**

CONTRACTOR, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of **COUNTY**. The form of any insurance policies and forms must be acceptable to **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of **COUNTY**, constitute a material breach of this Contract.

CONTRACTOR'S insurance shall be primary insurance as respects **COUNTY**, and any insurance or self-insurance maintained by **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to **COUNTY** under such policies. **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and **COUNTY**, at its option, may require **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

COUNTY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

4.1.4.1 Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability Insurance (CGL) and, if necessary, Commercial Umbrella Insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The CGL and the commercial umbrella coverage, if any, additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 10 01, and shall include coverage for **CONTRACTOR'S** operations and products.

4.1.4.2 Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONTRACTOR'S** vehicles (including owned, hired, non-owned), assigned to or used in the performance of this Contract. If hazardous substances, materials, or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

4.1.4.3 Workers' Compensation. **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

CONTRACTOR waives all rights against **COUNTY** and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by **CONTRACTOR** pursuant to this agreement.

In case any work is subcontracted, **CONTRACTOR** will require the Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of **CONTRACTOR**.

4.1.5 Certificates of Insurance.

4.1.5.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to **COUNTY** fifteen (15) days prior to the expiration date.

4.1.5.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003

For Contractor:

Grant Street Group Inc.
Attn: Myles C. S. Harrington, President
429 Forbes Avenue
Suite 1800
Pittsburgh, Pennsylvania 15219

4.3 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made. Contractor shall take no action under this Contract unless specifically requested by County, which shall submit a written notice to Contractor requesting that work be performed.

4.4 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.5 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.6 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.7 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.8 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.9 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.10 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.11 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.12 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.13 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.14 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.15 FORCE MAJEURE

Delay in performance, or non-performance, of any obligation contained herein shall be excused to the extent such delay or non-performance is caused by "force majeure". For purposes of this Agreement, the term "**force majeure**" means any cause, action or agency delaying or preventing the performance of a party's obligation under this Agreement which is beyond the reasonable control or foreseeability of such party, including, without limitation, fire, flood, sabotage, embargo, strike, explosion, labor trouble, accident, riot, acts of governmental authority (including, without limitation, acts based on laws or regulations now in existence as well as those enacted in the future), and delays or failure in obtaining raw materials or transportation, acts of God, telephone line outages, internet outages, internet traffic slowdowns (including any internet transmission problems incurred by either Client's or GSG's internet service provider), down computer networks, down hardware (including, without limitation, those caused by head crashes, operating system hang-ups, and the like), software or operating systems failure caused by a virus or other denial of service attack, and electricity outages.

Upon notice of a force majeure, the party whose performance under this Agreement is affected thereby, shall:

- (i) promptly notify the other party by the quickest means available, explaining the nature and expected duration thereof, and
- (ii) use reasonable efforts to diligently remedy the interruption or delay, provided that the interruption or delay is reasonably capable of being remedied by that party.

4.16 CONFIDENTIALITY

It is expressly understood and agreed that information provided by GSG pursuant to this Agreement including, without limitation, all materials, information, documentation and technology relating to, for example:

- (i) software used to develop the Web Site;
- (ii) software used to operate the Web Site;
- (iii) the public and non-public pages of the Web Site, including, without limitation, the security and/or technical aspects of the Web Site; and
- (iv) the development and/or operation of an electronic platform for selling and/or auctioning financial instruments such as, for example, tax certificates and tax deeds,

(hereinafter collectively referred to as “**Confidential Information**”) constitute valuable proprietary information and trade secrets of GSG which embody GSG’s substantial creative efforts and confidential information, ideas and expressions.

Client hereby agrees to hold all Confidential Information in strictest confidence and take such steps as are reasonably necessary to protect the confidentiality of the Confidential Information and other materials designated by GSG as confidential. Such reasonably necessary steps shall include, without limitation,

- (i) refraining from taking any action in derogation of GSG’s ownership rights in the Confidential Information;
- (ii) taking actions no less than those taken by Client to protect its own or a third party’s confidential information within Client’s control and/or possession; and/or
- (iii) Client not disclosing or otherwise making available the Confidential Information, in any form, to any person except to those employees of Client who:
 - a. need access to the Confidential Information to facilitate Client’s authorized use of the Web Site, and
 - b. are aware of, and agree to the confidential obligations of this Agreement.

Nothing herein shall be construed, however, to prohibit Client from making any disclosures required of Client pursuant to applicable law, or any legal process or request from any governmental authority having jurisdiction over Client, provided however that, to the extent legally permissible, prior to any such disclosure, Client provides adequate notice to GSG in order to enable GSG to seek any appropriate protective order.

Client agrees to exercise reasonable care to prohibit Client’s employees, agents and/or service providers from taking any action otherwise prohibited of Client under this Agreement, and to notify GSG promptly and in writing of the circumstances surrounding any possession, use or knowledge of Confidential Information, or any part thereof, known to Client which is prohibited hereunder.

Client acknowledges that, any breach of the obligations of this Section, will result in GSG suffering irreparable harm, which may not be adequately compensated by monetary damages. Accordingly, in the event of a breach of the confidential obligations of this Section, Client agrees that GSG may seek monetary damages; and/or may seek equitable relief to enjoin such breach, the latter equitable remedy of which Client hereby agrees not to oppose.

Each party agrees to treat the confidentiality of any non-public information received via the Web Site from Third Party Users, including, without limitation, Third Party Users’ deposit amounts, social security numbers, and non-public federal tax identification numbers, in accordance with applicable law and the “Privacy Policy” set forth on the Web Site.

GSG’s employees, who provide Administrative Services for Client’s Tax Certificate auction hosted by GSG pursuant to this Agreement, are prohibited from bidding in such an auction, and from disclosing to any unauthorized party confidential bids made during such an auction.

The format in which GSG stores data provided by Client and Third Party Users is GSG Confidential Information. Client’s retrieval and use of the data compiled by GSG on the Web Site is limited to Client’s internal use of such data; and, Client hereby agrees that, unless required by law to do so, Client will not transmit, disclose or make available to any third party, the data in the format and compilation created by GSG.

Client acknowledges that, with respect to Third Party Users who enter Minimum Acceptable Rates in conformance with the Web Site’s proxy bidding feature, the Web Site will be deemed the agent of such Third Party Users for the purpose of submitting bids on their behalf during the Tax Certificate auction, beginning at an 16% interest rate and declining, in 1.00% increments, down to, but not below, the Minimum Acceptable Rate(s) entered by Third Party Users.

4.17 PROPRIETARY RIGHTS; DISPLAY OF GSG CREDIT

Proprietary Rights in the Web Site: This is an application services provider agreement. Client acknowledges that there is no transfer to Client of title or ownership of any of the following: (i) the Web Site, (ii) any software used in the development or operation of the Web Site, (iii) any supporting documentation, (iv) any part of the foregoing, or (v) any customization of the Web Site to accommodate a specific need of Client.

Co-branding: The Web Site will bear Client's name and such other trade dress (*e.g.*, logos, introductory statement from Client, *etc.*) as Client reasonably directs. Client hereby acknowledges and agrees that every page of the Web Site will prominently display the phrase "*Powered by Grant Street Group*" - or other such language as GSG may reasonably adopt - as well as the GSG company logo, at the bottom of every page of the Web Site.

4.18 LIMITED WARRANTY

GSG warrants that, when all of the following conditions occur in a manner that has been authorized and approved by GSG, the Web Site will perform substantially in accordance with the Functional Specifications set out in **EXHIBIT B**:

- (i) Client and Third Party Users provide GSG and the Web Site with data in an authorized manner and format,
- (ii) the Web Site is accessed and used by Client and Third Party Users in an authorized manner, and
- (iii) the Web Site is accessed and used by Client and Third Party Users through the use of authorized and properly functioning software and equipment.

If Client not only timely reports to GSG, in writing, any failure(s) or defect(s) in the Web Site, but also provides GSG with detailed information sufficient to recreate such failure or defect, GSG warrants that, within 24 hours after receiving such a written notice, GSG will, at no charge to Client, use reasonable efforts to determine the nature of the problem and, if GSG believes that the problem may fall within the scope of the limited warranty in this Section, GSG will attempt to make corrections to the Web Site so that the Web Site performs substantially in accordance with said Functional Specifications. In the event GSG is not able to make such corrections within the 24-hour period, GSG will inform Client of the status of the problem resolution and an anticipated time of correction, provided that is possible and/or the problem or defect falls within the scope of the limited warranty in this Section.

GSG's attempt to resolve a reported failure or defect in no way is an acquiescence by GSG that the failure or defect falls within the scope of the Limited Warranty in this Section.

The limited warranty provided by GSG in this Agreement does not apply if GSG determines that the underlying fault or defect is caused by any one of the following:

- (i) the malfunction of computer hardware or other software not manufactured or developed by GSG,
- (ii) the negligence, fault, recklessness, and/or intentional misconduct of Client and/or Client's employees, agents or other service providers,
- (iii) the negligence, fault, recklessness, and/or intentional misconduct of any third party, including a Third Party User and/or a Third Party User's employees, agents or other service providers,
- (iv) improper data and/or improperly formatted data processed by the Web Site, as provided by Client and/or Client's employees, agents or other service providers,

- (v) improper data and/or improperly formatted data processed by the Web Site, as provided by any third party, including a Third Party User and/or a Third Party User's employees, agents or other service providers,
- (vi) the access and/or use of the Web Site, by Client and/or Client's employees, agents or other service providers, in a manner that has not been authorized and approved by GSG,
- (vii) the access and/or use of the Web Site, by any third party, including a Third Party User and/or a Third Party User's employees, agents or other service providers, in a manner that has not been authorized and approved by GSG,
- (viii) the access and/or use of the Web Site, by Client and/or Client's employees, agents or other service providers, by improperly functioning software and/or equipment, or by any software and/or equipment that has not been authorized and approved by GSG,
- (ix) access and/or use of the Web Site by any third party, including a Third Party User and/or a Third Party User's employees, agents or other service providers, by improperly functioning software and/or equipment, or by any software and/or equipment that has not been authorized and approved by GSG, or
- (x) a Force Majeure situation, as described in this Agreement.

If GSG discovers that any problem with Web Site performance is caused by one or more of the above, at Client's request and at a fee to be mutually agreed upon between GSG and Client, GSG will assist Client in resolving such problem.

4.19 NO IMPLIED WARRANTIES; LIMITATION OF LIABILITY; EXCLUSION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES.

Except for the expressed limited warranty set forth in this Agreement, GSG makes no other warranty, representation, promise or guarantee, either expressed or implied, statutory or otherwise, with respect to the Web Site or the services provided hereunder, including their quality, performance, merchantability or fitness for a particular purpose, or whether any of the transactions to be conducted using the Web Site comply with any applicable federal, state, county or other law or regulations. GSG will have no responsibility for any actual or purported loss resulting from damages associated with the auction format (*e.g.*, Proxy Bidding) selected by Client for any particular auction conducted on the Web Site.

In no event will GSG be liable for indirect, special, incidental, economic, cover, consequential, tort or other damages (including, without limitation, damages or costs relating to the loss of profits, business, goodwill, data or computer programs, even if advised of the possibility of such damages), without regard to the legal theory of such damages, arising out of the use of or inability to use the Web Site or the services provided hereunder.

In no event will GSG's liability to Client arising out of or related to this Agreement exceed the fees earned and received by GSG under this Agreement during the twelve month period immediately preceding the date that the event giving rise to GSG's liability occurred.

Each party will have the right to approve the terms and conditions or disclaimers that are included within the Web Site.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A

SERIAL 05179-RFP, NIGP96209 S07 39 01 BLANKET #B0700187

PRICING SHEET

BIDDER NAME:	<u>Grant Street Group, Inc.</u>
F.I.D./VENDOR #:	<u>23-2900536</u>
BIDDER ADDRESS:	<u>429 Forbes Avenue, Pittsburgh PA 15219</u>
P.O. ADDRESS:	<u>SAME</u>
BIDDER PHONE #:	<u>412-391-5555</u>
BIDDER FAX #:	<u>412-391-7608</u>
COMPANY WEB SITE:	<u>www.grantstreet.com</u>
COMPANY CONTACT (REP):	<u>Wade Horigan</u>
E-MAIL ADDRESS (REP):	<u>horigan.wade@grantstreet.com</u>

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X YES NO

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: X YES NO

PAYMENT TERMS:

NET 30 WH

1.0 PRICING:

1.1 PRICE PER PARCEL SOLD \$ 10 PER PARCEL

EXHIBIT B

2.1 SCOPE OF SERVICES:

CONTRACTOR SHALL PROVIDE ALL LABOR, EQUIPMENT, TRAINING AND TECHNOLOGY NECESSARY TO CONDUCT ON-LINE (INTERNET) AUCTION SERVICES IN BEHALF OF THE MARICOPA COUNTY ARIZONA TREASURERS OFFICE.

2.2 BID RESULT REPORTING

Sale results will be made available to the Treasurer immediately following the close of each batch. CONTRACTOR will provide sale results to the Treasurer via a download from the Contractor's Results Page, using any of the available reports or by generating custom post-sale extract files that the Treasurer can use to update your internal system.

2.3 PAYMENT ACCEPTANCE:

The Contractor shall accept payment for tax liens sold electronically (ACH) via the Contractor's web site. All successful bids must be paid for through ACH. Cash, checks, credit cards, debit cards or other forms of payment will not be accepted. The Contractor will provide for electronic transfer of funds (ACH) to the account designated by the Treasurer. If the successful bidder does not have sufficient funds to conclude the sale, the sale will be deemed incomplete, and the lien will be offered for sale at the "clean_up" sale. The bidder shall forfeit any remaining deposit.

The Treasurer will not accept bids or payments for tax lien sales directly at its office or on its web site. All successful bidders will be directed to access the auction web site to conclude their purchase.

2.3.1 CONTRACTOR currently supports online ACH payments using Official Payments Corp, a firm that specializes in online payments for government entities. Payments are transmitted as follows:

2.3.1.1 Bidder logs onto the auction web site using their UserID and Password.

2.3.2 Bidder authorizes the Treasurer to initiate an ACH debit against their bank account by entering their bank account information and the amount of the payment and clicking the "Authorize Payment" button.

2.3.3 The Bidder's bank account information is encrypted and transmitted directly to Official Payments Corp using a secure connection. No account information is stored on Contractor's servers.

2.3.4 Official Payments Corp initiates the debit against the Bidder's bank account. The funds are withdrawn from the Bidder's account and deposited directly into an account designated and controlled by the Treasurer.

2.3.5 Official Payments Corp emails a report to the Treasurer each morning, detailing all of the transactions that were initiated by each bidder on the previous day. The Treasurer can also access, search and download payment information directly from the auction web site.

2.3.6 CONTRACTOR shall provide access to real-time, online Excel and Adobe PDF reports detailing all deposit activity.

2.3.7 CONTRACTOR shall provide software tools to review the data files received from the payment processors to check for discrepancies between our records and theirs. When a discrepancy is detected, an email shall be automatically generated and sent to Contractor's project management team for review.

2.3.8 Post-sale, deposits are automatically credited toward the value of certificates purchased by each bidder, showing the Treasurer and the bidder the balance due. CONTRACTOR notifies winning bidders of remaining balance and payment due date via e-mail, following certification by the County that the results should be deemed official.

- 2.3.9 Bidders with an outstanding balance pay electronically using the same interface through which deposits were made by ACH debit
 - 2.3.10 Once sale results have been finalized, the Treasurer may authorize payment of refunds to any bidders with a surplus balance via ACH credit, or via an offline payment which is then recorded on the web site.
 - 2.3.11 Throughout the process, CONTRACTOR will also provide any additional, customized reports required by the Treasurer, free of charge.
 - 2.3.12 CONTRACTOR shall make a proactive effort to resolve payment issues before the Treasurer's attention is required, such as the entry of incorrect payment information (routing or account number, etc.) or disputed transactions.
 - 2.3.13 CONTRACTOR shall adapt the payment interface to accommodate any gateway or payment processor required.
 - 2.3.14 CONTRACTOR will pay all of the setup, transaction and return fees associated with tax certificate sale-related ACH payments.
- 2.4 WEB-SITE REQUIREMENTS:
- The Lien Auction web site will have a home page.
- 2.4.1 This page allows users to:
 - a. Register for the auction
 - b. Review any standard tax sale-related documents published by the Treasurer
 - c. Access the Self Demo
 - d. Access the Trial Auction
 - e. Enter the Live Auction
 - 2.4.2 The following is a listing and description of each of the primary tabs:
 - 2.4.2.1 Auction Summary: Provides basic auction information, current status of the required steps that a bidder has completed, the schedule of batch closing times, auction status and contact phone numbers for CONTRACTOR and Treasurer Staff.
 - 2.4.2.2 Search: Allows complex searches of the property, tax and certificate data.
 - 2.4.2.3 Reports: Allows users to create custom reports using any available data fields.
 - 2.4.2.4 Bid: Displays the advertised list, links to property and tax information and aerial maps and permits the manual input of bids using individual entry or an "autofill" feature. Also allows users to edit their budget.
 - 2.4.2.5 Results: Displays the results of the sale once they have been generated. Prior to results generation, no bidder is able to see any other bidder's bid. Results can be downloaded into an Excel or CSV file.
 - 2.4.2.6 Bid Upload: Permits the user to download a copy of all submitted bids, or uploads bid inputs from an Excel spreadsheet or CSV file.
 - 2.4.2.7 My Account: The "My Account" tab has several sub tabs.
 - 2.4.2.7.1 Registrant Info: Displays the information entered by a bidder during the registration process.
 - 2.4.2.7.2 W-9 Form: Allows users to enter and digitally sign and submit the IRS Form W-9

2.4.2.7.3 Payments: Permits submittal of ACH payments and displays payment history, including chargebacks, if any.

2.4.2.7.4 Email: Allows users to select what, if any, email notifications they would like to receive.

2.4.2.8 The footer of each page contains links to the Treasurer's User Agreement, User Instructions and a form to email Contractor's LienAuction Bidder Support. In addition, the toll-free LienAuction Bidder Support phone number is listed at the bottom of every web page.

2.5 TAX LISTS:

2.5.1 The Treasurer will provide a list of delinquent tax liens for all parcels subject to the auction approximately 30 days prior to the auction. As these delinquent tax liens are subject to redemption, in which case they may not be sold at the auction, the Treasurer will provide timely updates to the delinquent tax lien list both before and during the auction.

2.5.2 CONTRACTOR will accept updates to the list of certificates advertised and available for sale from the County any time before or during the auction. These can come via data transfer through a secure FTP site or even by e-mail for smaller lists of certificates. Upon receipt of a list to be removed, CONTRACTOR will verify (by checking the advertising sequence numbers and face values) the removed certificates and then mark these as "removed" on the LienAuction site.

2.5.3 Advertised Items that have been removed from the sale are listed on the site, but are "grayed out" and have no active bid inputs. Displayed for each removed certificate is the reason the certificate was removed (Paid, Bankruptcy, HX under \$100, etc...). Bidders have the option of displaying or hiding removed certificates on the Bid, Reports and Results pages.

2.5.4 New reports are available as soon as changes to certificate status have been replicated into our production (or "live") environment. Updates to the list of certificates in the sale received during the day are tested and replicated to our production environment each day at midnight.

2.6 SALE GROUPING:

CONTRACTOR shall offer certificates in groups, also referred to as batches. Certificates will be grouped into batches based on advertisement number. The size of each batch is determined as agreed upon between Contractor and the Treasurer. Bids for certificates in each batch are processed in sequential order. Batches close hourly (e.g., beginning at 9:00AM on the day of the sale and continue until 4:00 PM on the same day). Results for each batch are available immediately following the batch closing time.

2.7 BIDDING REQUIREMENTS:

The bid page on the Treasurer's web site will be configured to only allow bids to be submitted that conform with A.R.S. § 42-18114. A bidder will receive an error message if they attempt to submit a non-conforming bid.

2.7.1 Placing a Bid

Bidders can enter their bid in one of three ways:

- 1.) Type the interest rate into the "Min. Rate" cell on the Bid Page.
- 2.) Use the "Autofill" feature to enter the same interest rate for multiple certificates.
- 3.) Upload one or more bids from a file, typically an Excel spreadsheet or tab-delimited file.

Once bids have been entered, they can be submitted one at a time via the "Submit" button on the bid page, or en masse using the "Submit All" button. Bids are validated at the time of submission. All entered bids

must be submitted prior to the close of the batch that contains such certificates. Bids can be entered, modified or withdrawn until the scheduled batch closing time. Once the batch closing time has passed, submitted bids can no longer be modified or withdrawn.

2.7.2 Proxy Bidding

The Treasurer shall utilize proxy bidding for the tax certificate sale.

(Proxy bidding is a form of competitive sale in which bidders input the minimum interest rate they are willing to accept for each certificate they would like to purchase. At the close of each batch, the auction system, acting as an electronic agent for each bidder, compares minimum acceptable rates entered by all bidders for each individual certificate. When there is more than one bidder, the final bids consist of the minimum rates entered by all bidders except the winner, whose final bid will be equal to the second lowest minimum rate minus 1.00%, unless there is a bid at 0%, in which case the winner will be awarded at 0%.

In no case will a bidder be awarded a certificate at a rate lower than his/her specified minimum acceptable rate.)

2.7.3 Ties

CONTRACTOR shall use the Random method available for resolving ties. Additional methods can be added upon request.

(Random is an industry-standard random number generation algorithm is used to pick the winner from among the tie bidders. Each tie award is a separate random event.)

2.8 BIDDER REGISTRATION:

All participating bidders must register for the sale by completing a form on the LienAuction Registration page. This page can be made to mirror the Treasurer's current official registration form. The registration information is used to create a Login ID and password for the bidder. Prior to receiving a bidder number assignment or being permitted to submit a bid, a bidder must complete and submit an online IRS Form W-9 (W-8 can be added if necessary). This form is compared to the records transmitted to CONTRACTOR by the Treasurer. If a submitted W-9 matches the Treasurer's records (TIN and Name, or TIN, Name and Address, at the Treasurer's discretion) the bidder will be re-issued their historic bidder number for the current year's sale. If a submitted W-9 does not match the Treasurer's records, then the bidder will be assigned the next available bidder number from the block of bidder numbers described below.

2.8.1 The Treasurer will issue CONTRACTOR a block of bidder numbers that can be assigned to new bidders. These numbers will be reserved for bidders participating in the 2006 Internet tax sale and will be assigned to bidders who successfully complete and submit an IRS Form W-9 and make a deposit payment to the Treasurer.

2.8.2 Once the auction is over (or on an ongoing basis, at the discretion of the Treasurer) CONTRACTOR will provide the Treasurer (via secure download or FTP) with a Bidder File that contains all of the W-9 and contact information for every participating bidder. This file can be used by the Treasurer to update its system.

2.8.3 Bidder SSNs and TINs are only accessible by CONTRACTOR and selected Treasurer Staff on the Treasurer's secure web site. This information is not made available to the public. All data transfers to and from the web site are encrypted using SSL 128-bit encryption.

2.9 Bidder Deposits:

2.9.1 Bidders must enter a deposit of 10% of their intended purchases prior to being permitted to submit bids in the auction. A minimum deposit of \$500.00 is required. CONTRACTOR currently supports ACH payments through Official Payments Corp. Bidders submit their bank account information and the amount of their deposit or payment on the Payments page. Upon submission, this information is transmitted to Official Payments, who initiates the debiting of the bidder's account and credits the funds to an account designated by the Treasurer.

- 2.9.2 Post-sale, deposits are automatically credited toward the value of certificates purchased by each bidder, showing the Treasurer and the bidder the balance due. CONTRACTOR notifies winning bidders of remaining balance and payment due date via e-mail, following certification by the Treasurer that the results are accurate and should be deemed official.
- 2.9.3 Bidders with an outstanding balance pay electronically using the same interface through which deposits were made by ACH debit.
- 2.9.4 CONTRACTOR shall provide access to real-time online, Excel and Adobe PDF reports detailing all deposit and post-auction payment activity. When a discrepancy is detected, an email is automatically generated and sent to Contractor's project management team for review.
- 2.9.5 Once sale results have been finalized, the Treasurer may authorize payment of refunds to any bidders with a surplus balance via ACH credit, or via an offline payment which is then recorded on the web site.
- 2.9.6 Throughout the process CONTRACTOR will also provide any additional, customized reports required by the Treasurer, free of charge.
- 2.9.7 CONTRACTOR shall make a proactive effort to resolve payment issues before the Treasurer's attention is required, such as the entry of incorrect payment information (routing or account number, etc.) or disputed transactions. CONTRACTOR will adapt the payment interface to accommodate any gateway or payment processor required.

2.10 Client Training and Support

A CONTRACTOR representative will conduct a live, on-site training session for the Treasurer's staff prior to the Treasurer's web site opening to the public, and a demo site will be made available for the Treasurer's staff prior to the posting of the Treasurer's advertised list on the web, for use in training the Treasurer's staff. CONTRACTOR staff will perform additional client trainings as needed via telephone walk-throughs. CONTRACTOR will monitor the Treasurer's progress towards conducting the sale using our internal project management tools.

The Treasurer will have a primary contact and two backup contacts at CONTRACTOR who will coordinate all client service and support issues. The Treasurer will have email addresses, office and cell phone numbers for these three individuals, as well as the same for the President of the company.

2.11 Data Exchange

CONTRACTOR will accept updates to the list of certificates advertised from the Treasurer any time before or during the auction. These can come via data transfer through a secure FTP site or even by e-mail for smaller lists of certificates. Upon receipt of a list to be removed or modified, CONTRACTOR will verify (by checking the advertising sequence numbers and face values) test, process and apply the changes to our offline databases immediately. These changes are automatically replicated to the production environment at midnight, or can be pushed through during the day at the direction of the Treasurer.

2.12 Bidder Training and Support

A CONTRACTOR representative will conduct live, on-site training for bidders prior to the sale. On the day scheduled for bidder training, the following training options will be available to bidders:

- 2.12.1 Online Self-demo: step-by-step walk-through covering all aspects of software functionality; always available
- 2.12.2 Trial Auction: bidders may practice bidding in a simulated auction environment; always available
- 2.12.3 Guided Demo: software demo conducted online / over the phone by a CONTRACTOR representative; available by request

2.13 SECURITY REQUIREMENTS:

2.13.1 System Security (shall consist of the following):

- Two layers of firewall protection: “Sandwiched DMZ” architecture
- Multiple layers of Intrusion Detection, with sensors provided by different vendors
- Custom, hardened build of Operating System based on CISecurity, Linux benchmark and Bastille Linux hardening project
- Web server located behind proxying load balancers
- All servers subnetted based upon role and security level
- Formalized patch management policy ensuring systems are kept up to date
- Two layers of email-borne anti-virus protection, provided by different vendors

2.13.2 Application Security (shall consist of the following):

- 128-bit SSL
- MD5 encrypted passwords
- Cryptographically strong session IDs
- Rigorous input validation
- Centralized security, with authentication, authorization, custom permission levels, and dispatch
- Protection against SQL injection, session hijacking, session forwarding, cross-site scripting, cross-site framing

2.14 TECHNOLOGY REQUIREMENTS:

2.14.1 All reports listed below are available to the Treasurer before, during and after the auction, with the exception of the reports that consist of sale results data, which become available immediately following the close of the first batch. Additional reports can be created, free of charge, at the request of the Treasurer.

2.14.2 Information Updates

Upload Data

- Allows the Treasurer to securely upload files to the web site, including Advertised List, payments, certificate removals, etc.

Download Extracts

- Allows the Treasurer to download post-auction reports, including Bidder, Sale and Payment information.

View Certificate Totals

- Displays the count and total face value for certificates advertised, paid prior to sale, bankrupt, removed, struck to the State, and sold. These totals are updated each time changes are received from the Treasurer or a batch closes.

2.14.3 Sale Reports

View Reports

- Contractor’s custom report-generation tool. Allows the Treasurer to create custom reports using a wide number of sale and bidder data fields. These reports are downloadable in CSV and Excel format, and can be saved for later use.

View Results

View Results Analysis: Contains the following reports

- View Auction Statistics: Displays summary information for bidders, bidding activity, awards and payments. Includes data for the current year’s auction
- Certificates Issued by Interest Rate: Lists the total count and face value sold at each interest rate. Includes data from the current and previous two years
- Certificates Awarded by Bidder: Lists the total count, face value and weighted average rate for sold to each bidder. Includes data from current and previous two years
- Tie Bids by Rate: Displays the count of ties at each interest rate
- Winning Bids by Pool of Capital: Tracks results for firms using multiple affiliated bidders
- Won and Lost Bids by Reason: Lists each bidder, including the number of certificates won, and the amount lost by reason (tie, outbid or over budget)

View Payments: This report is searchable by date and sortable by column. It can be downloaded in Excel or PDF.

Summary View: Summarizes, at a glance, all of the payment and award activity by each bidder in the auction sorted by bidder number.

Detail View: Includes all of the details (timestamp, payment confirmation number, amount, etc.) from every payment transaction by every bidder.

Print All W-9s

View Auction Statistics

2.14.4 Bidder Review

View Registrant Status: A report, which is available online or downloadable into Excel, which provides an overview of each individual registrant in the auction, including the following information:

- Date of registration
- Login ID, including a link to the bidder registration information
- Whether the bidder has reviewed the Self Demo
- Whether the bidder has entered the Trial Auction
- If the bidder has completed an IRS Form W-9, a link exists to view or print the completed form
- Total Payments, including a link to the payment details for each payment initiated by the bidder

- Date of last login
- Date of last viewing of the Bid page
- Date of last bid submission

Assign Bidder Numbers: Permits the Treasurer to review, modify and/or assign bidder numbers.

GRANT STREET GROUP, INC., 429 FORBES AVE STE 1800, PITTSBURGH, PA 15219

PRICING SHEET: S073901/B0700187/NIGP 96209

Terms:	NET 30
Vendor Number:	W000006221 X
Telephone Number:	412/391-5555
Fax Number:	412/391-7608
Contact Person:	Wade Horigan
E-mail Address:	Horigan.Wade@grantstreet.com
Company Web Site:	www.grantstreet.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending December 31, 2007.